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WEEKLY GRAIN COMMENTARY

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Another week of exceptional volatility saw wheat prices eclipse new highs, but then pull back as profit-taking activity sent prices lower. Even bullish news in USDA’s latest crop report for wheat wasn’t enough to stem the sell-off. USDA pegged 2007/2008 wheat ending stocks at 362 million bushels. This was below the average uses of 373 million bushels but well within the anticipated range of 336 to 405 million bushels. In addition, weekly export sales reached 2.0 mmt, well above expectations of most traders. However, with the recent run-up in wheat prices, traders may be leery to head much higher from here without some significant correction to initiate some buying enthusiasm. In corn, the crop report was mostly bearish, but traders drove prices higher after selling pressure over the past few weeks. USDA increased their production forecast by 254 million bushels to 13.308 billion bushels by adjusting the yield upwards by 3 bushels per acre to 155.8. A total of a 159 million of the increase was put toward the bottom line increasing the 07-08 carryout to 1.675 billion bushels. If realized it would lengthen the carryout to approximately 48 days of usage verses the 43.5 days on the August report and 36.7 for the year just ended. Higher corn prices in the next six weeks will be hard to sustain as harvest pressure and hedging of huge inventories should keep prices on the defensive. In soybeans, USDA had no surprises in the domestic and global grain and oilseed outlooks but the cuts in 2006/07 and 2007/08 US soyoil ending stocks were an unexpected shocker and sent bean complex prices higher. Again, it seems unlikely that any sustained rally can take place in the coming weeks as combines move full-force to harvest the bumper crops.

	Corn Basis		Soybean Basis		Wheat Basis	
Location	Nearby	Forward	Nearby	Forward	Nearby	Forward
WMD	+49		-86		-81	
CMD	+41	-25	-52	-79	-75	
SMD	-31	-31	-63	-58		
UES	+5	-12	-53	-48	-65	
LES	+25	+13	-38	-34	-65	

CASH GRAINS – REGIONAL – (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	09/04	09/11	09/04	09/11	09/04	09/11	09/04	09/11
Western, MD	4.05	4.05	8.37	8.53	7.50	7.80	2.90	2.90
Central, MD	3.53	3.97	8.49	8.87	7.57	7.86	----	----
Southern, MD	3.38	3.26	8.63	8.76	----	----	----	----
Upper E. Shore	3.73	3.61	8.73	8.86	7.11	7.96	----	----
Lower E. Shore	3.92	3.81	8.87	9.01	7.21	7.96	2.65	2.65

Soybean Meal

Lower Eastern Shore

Dealer’s Average Cash Quotes (\$/ton)

Date	09/04	09/11	Date	09/04	09/11
48% Soybean Meal	279.40	281.80	44% Soybean Meal	267.40	269.80

FORWARD CONTRACT PRICE – REGIONAL (\$/bu) for Harvest Delivery Dealer’s Avg. Quotes

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	09/04	09/11	09/04	09/11	09/04	09/11	09/04	09/11
Western MD	----	----	----	----	----	----	----	----
Central MD	3.33	3.32	8.28	8.60	5.49	6.57	----	----
Southern MD	3.38	3.26	8.68	8.81	5.36	5.13	2.69	2.61
Upper E Shore	3.52	3.45	8.78	8.91	5.36	5.13	2.69	2.61
Lower E Shore	3.74	3.69	8.94	9.05	5.41	5.14	2.69	2.61

GRAIN FUTURES – Chicago Board of Trade (Cents & Quarter – cents/bushel) Settle – September 12, 2007

Corn		Soybeans		Wheat		Soybean Meal ^{1/}	
07Sep	339’6	07Sep	925’0	07Sep	840’0	07Sep	254’2
07Dec	356’4	07Nov	938’4	07Dec	860’4	07Oct	255’5
08Mar	373’0	08Jan	953’6	08Mar	861’4	07Dec	261’1
08May	382’4	08Mar	964’6	08May	760’0	08Jan	262’8
08Jul	391’4	08May	968’2	08Jul	592’0	08Mar	266’2
08Sep	397’4	08Jul	974’4	08Sep	598’0	08May	267’0

1/ Price Unit: Dollars and cents/ton (100 tons (2,000 lbs/ton))

HAY AND STRAW

New Holland, PA - \$/ton – September 10, 2007

Alfalfa	Mixed Hay	Timothy	Orchard grass	Straw
135.00 - 255.00	100.00 - 260.00	157.00	130.00 - 215.00	110.00 - 240.00

Westminster, MD - \$/bale – September 11, 2007

Alfalfa	Alfalfa Mix	Timothy	Timothy Mix	Grass Mix	Straw
5.40	5.10	4.00	2.50 - 4.10	2.20 - 4.90	2.10 - 2.80

POULTRY									
Negotiated price for truck lot of ready-to-cook, ice-pack, Grade A Fryers (\$ per CWT) – Week Ending – September 15, 2007									
		Current Week		Prev. Week		Prev. Month		Prev. Year	
N.Y. Weighted Avg.		76.95		76.85		73.00		65.57	
12 City Composite		80.37		80.56		77.70		69.32	
SHEEP & LAMBS - Westminster, MD – September 11, 2007 - \$/cwt									
Sheep	40.00 - 50.00	Lambs	50 - 80 lbs		102.50 - 120.00				
Yearlings	65.00 - 90.00		90 - 130 lbs		100.00 - 110.00				
Too Fat	37.50		Feeders		100.00 - 115.00				
TERMINAL MARKETS HOGS – September 12, 2007				DIRECT MARKET HOGS – Westminster, MD – September 11, 2007					
Base Price Range		Carcass Basis		Weighted		Butcher Hogs			
a.m.	Base 185 lb Hog	Average		#2	40.00 - 43.00	Boars			
Eastern Corn belt	56.55 - 62.16	57.27		Heavy Weights	34.00 - 36.00	Light Weights		21.00	
Iowa, Minn	52.00 - 63.00	62.03		Sows					
				Heavy Weights	35.50				
				Light Weights	28.00 - 30.50				
Market Hogs - Millsboro, DE - September 12, 2007 - dollars/cwt 36.00 - 40.00 Next sale date – October 9, 2007									
FEEDER PIGS – (\$/CWT) – Gumboro, DE September 12, 2007 Next sale date – October 9, 2007									
Head: 134									
Under 30 lbs	50.00 - 110.00		40 - 49 lbs	50.00 - 100.00					
30 - 39 lbs	80.00 - 110.00		50 - 59 lbs	76.00 - 80.00					
			60 - 69 lbs	72.00					
CHICAGO MERCANTILE EXCHANGE -\$/cwt) – September 12, 2007									
CATTLE –LIVE FUTURES					HOGS-LEAN FUTURES				
OCT07	94.73	APR08	100.53	OCT07	65.20	APR08	72.13		
DEC07	99.00	JUN08	96.25	DEC07	68.00	MAY08	75.70		
FEB08	100.38	AUG08	94.80	FEB08	71.03	JUN08	78.00		
STOCKER – FEEDER CATTLE – (\$/cwt)									
Winchester, VA – September 10, 2007					Westminster, MD – September 11, 2007				
Steers	300 - 400 lbs	113.00 - 127.00		Steers	400 - 500 lbs	74.00 - 88.00			
	400 - 500 lbs	104.00 - 125.50			800 -1000 lbs	82.00 - 86.00			
	500 - 600 lbs	106.00 - 124.00							
	600 - 700 lbs	110.00 - 113.00							
	700 - 800 lbs	102.00 - 109.00		Heifers	200 - 300 lbs	84.00 -103.00			
	800 - 900 lbs	104.00 - 104.50			400 - 500 lbs	80.00 - 95.00			
Heifers	300 - 400 lbs	102.00 - 114.00			600 - 700 lbs	87.00 - 92.00			
	400 - 500 lbs	96.50 - 110.00			800 -1000 lbs	76.00 - 81.00			
	500 - 600 lbs	94.50 - 103.50							
	600 - 700 lbs	94.00 - 104.00							
	700 - 800 lbs	93.50 - 96.00							
SLAUGHTER CATTLE (\$/cwt)									
Westminster, MD – September 11, 2007				Fed Heifers					
Sltr. Cows				Choice	84.00 - 87.50				
Breakers	55.00 - 61.50			Select	74.50 - 82.00				
Boners	48.75 - 54.50								
Thin/Slow	46.50 & Down			Hols. Bull Calves #1	132.50 - 145.00				
				#2	122.50 - 132.50				
Fed Steers				Culls	40.00 - 100.00				
Choice & Prime	89.50 - 91.75			Jerseys	15.00 - 40.00				
Low Choice	81.75 - 85.50			Beef Cross	80.00				
Holsteins	74.50 - 78.75			Holstein Heifers #2	300.00 - 410.00				
Lancaster, New Holland & Vintage – September 13, 2007									
Sltr. Steers:				Sltr. Heifers:					
Hi Ch & Pr 2-3	1275 -1595 lbs	89.50 - 93.25		Hi Ch & Pr 2-3	1215 -1350 lbs	87.25 - 87.75			
Choice 2- 3	1170 -1445 lbs	87.00 - 91.00		Choice 2-3	1055 -1240 lbs	86.00 - 87.00			
Hi Sel & Lo Ch 2-3	1130 -1430 lbs	85.75 - 88.00							
Select 1-3	1115 -1200 lbs	83.50 - 83.00							
				Sltr. Cows:	Percent Lean	Avg. Dressing			
Hols. Steers:				Premium White	65 - 75	59.25 - 63.00			
Hi Ch & Pr 2-3	1385 -1565 lbs	80.00 - 84.75		Breakers	75 - 80	53.50 - 58.00			
	1600 - 1615 lbs	78.75 - 80.00		Boners	80 - 85	48.00 - 52.00			
Choice 2-3	1330 -1530 lbs	75.75 - 80.25		Lean	88 - 90	42.00 - 46.50			
Hi Sel & Lo Ch 2-3	1220 -1370 lbs	73.00 - 77.75		Lean <1000 lbs	85 - 90	36.50 - 41.00			
Select 1-2	1295 -1310 lbs	70.00 - 72.00							

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